Oh Boon Thiam v Yan Ming Agricultural Sdn Bhd (Oh Yoke Choon & Anor, third party)

HIGH COURT (IPOH) — CIVIL SUIT NO 22NCVC-2–01 OF 2015
SM KOMATHY JC
2 SEPTEMBER 2015

Civil Procedure — Preliminary question of law — Rules of Court 2012, O14A — Plaintiff commenced action against defendant for declaration that registered design of his water sprinkler and clipper protected under the Copyright Act 1987 — Defendant brought action against third parties for indemnification — Third parties applied for court to determine question of law as preliminary issue — Whether there was delay in making application — Whether facts on which application predicated on were in dispute

Copyright — Registered designs — Industrial Designs Act 1996 — Plaintiff commenced action against defendant for declaration that registered design of his water sprinkler and clipper protected under the Copyright Act 1987 ('the Act') — Defendant brought action against third parties for indemnification — Third parties applied for court to determine question of law as preliminary issue — Whether plaintiff barred by s 7(5) of the Act from seeking copyright protection for his registered designs under the Industrial Designs Act 1996 — Whether registered designs excluded from copyright — Copyright Act 1987 ss 7(1), (5) & 13B — Industrial Designs Act 1996 — Rules of Court 2012 O 14A

The plaintiff had brought an action against the defendant for a declaration that the registered designs of his water sprinkler and clipper were protected under the Copyright Act 1987 ('the Act') and for damages. It was the plaintiff's contention that he had registered his design under the Industrial Designs Act 1996 ('the IDA'). Subsequently, the defendant commenced third party proceedings against the third parties for indemnification on the ground that the defendant had purchased the water sprinklers and clippers from the third parties. In the present action, the second third party applied for the court to determine a question of law as a preliminary issue under O 14A r 1 of the Rules of Court 2012 ('the ROC'). The question of law was whether the plaintiff was barred by s 7(5) of the Act from seeking copyright protection for his registered designs under the IDA. The plaintiff opposed the second third party application on the grounds that: (a) there was inordinate delay in making the application; and (b) the question of law was not suitable for summary disposal as a preliminary issue because the facts on which the application was predicated on were in dispute.

Held, dismissing the plaintiff's claim with costs:

(1) There was no inordinate delay in making the application in that the application was made as soon as the second third party had filed its defence. Further, the singular fact relied on by the second third party in support of the question of law was based on the plaintiff's own averment in the statement of claim that the designs had been registered under the IDA, thus, the plaintiff's argument that the relevant facts were in dispute did not hold water (see paras 11–12).

(2) A resolution of the question of law posed in the present application, if decided in favour of the second third party, would bring an end to the litigation, without the need of a lengthy trial. It therefore satisfied the criteria approved by the House of Lords in *CJ O'Shea Construction Ltd v Bassi* [1998] ICR 1130 of being a succinct, knockout point which was capable of being decided after only a relatively short hearing. Consequently, the court allowed the application for the question of law under s 7(5) of the Act to be determined as a preliminary one under O 14A of the ROC (see para 13).

(3) Since the plaintiff's designs had been registered under the IDA, it was clear that the plaintiff was himself of the view that his drawings of those two designs were of 'industrial designs' and not 'artistic works' within the definition of s 7(1) of the Act which sets out the list of works eligible for copyright protection. The fact that the Registrar of Industrial Designs had found fit to accept the plaintiff's designs for registration further confirmed that they were indeed industrial designs (see para 24).

(4) Pursuant to s 7(5) of the Act, registered designs are excluded from copyright. Section 13B of the Act did not avail the plaintiff as it applies only to drawings that are artistic works. The determination of s 7(5) of the Act in favour of the defendants and the third parties rendered the plaintiff's action for copyright unmaintainable (see para 28).

[Bahasa Malaysia summary

Plaintif telah membawa tindakan terhadap defendan bagi perisytiharan bahawa reka bentuk berdaftarnya, pemercik air dan pengetip adalah dilindungi di bawah Akta Hak Cipta 1987 ('Akta') dan untuk ganti rugi. Adalah hujahan plaintif bahawa dia telah mendaftar reka bentuknya di bawah Akta Reka Bentuk Perindustrian 1996 ('ARP'). Kemudiannya, defendan memulakan prosiding pihak ketiga terhadap pihak ketiga bagi ganti rugi atas alasan bahawa defendan telah emmbeli pemercik air dan pengetip daripadaa pihak ketiga. Dalam tindakan ini, pihak ketiga yang kedua memohon untuk mahkamah menentukan soalan undang-undang sebagai isu permulaan di bawah A 14A k 1 Kaedah-Kaedah Mahkamah 2012 ('KKM'). Soalan undang-undang adalah sama ada plaintif dihalang oleh s 7(5) Akta daripada memohon perlindungan hak cipta bagi reka bentuk berdaftarnya di bawah ARP. Plaintif menentang

permohon pihak ketiga yang kedua atas alasan bahawa: (a) terdapat kelewatan terlampau dalam membuat permohonan tersebut; dan (b) soalan undang-undang tidak sesuai untuk pelepasan ringkas sebagai isu permulaan kerana fakta atas mana permohonan tersebut didasarkan adalah dalam pertikaian.

Diputuskan, menolak tuntutan plaintif dengan kos:

(1) Tidak terdapat kelewatan terlampau dalam membuat permohonan di mana permohonan tersebut dibuat sebaik saja pihak ketiga yang kedua telah memfailkan pembelaannya. Selanjutnya, fakta tunggal yang digunakan oleh pihak ketiga yang kedua dalam menyokong soalan undang-undang adalah berdasarkan atas hujahan plaintif sendiri dalam pernyataan tuntutan bahawa reka bentuk tersebut telah didaftarkan di bawah ARP, dengan itu hujahan plaintif bahawa fakta relevan adalah dalam pertikaian tidak boleh bertahan (lihat perenggan 11–12).

(2) Resolusi soalan undang-undang yang dikemukakan di dalam permohonan ini, jika diputuskan memihak pihak ketiga yang kedua, ia akan membawa kesudahan kepada litigasi, tanpa keperluan perbicaraan yang penjang. Oleh itu ia memenuhi kriteria yang dipersetujui oleh House of Lords dalam kes *CJ O'Shea Construction Ltd v Bassi* [1998] ICR 1130 sebagai ringkas, poin kalah mati yang mampu diputuskan hanya selepas betul-betul pendengaran yang pendek. Akibatnya, mahkamah membenarkan permohonan bagi soalan undang-undang di bawah s 7(5) Akta ditentukan sebagai satu permulaan di bawah A 14A KKM (lihat perenggan 13).

(3) Memandangkan reka bentuk plaintif telah didaftarkan di bawah ARP, adalah jelas bahawa plaintif sendiri berpandangan bahawa lukisannya terhadap dua reka bentuk tersebut adalah 'industrial designs' dan bukan 'artistic works' dalam definisi s 7(1) Akta yang mana menjelaskan senarai kerja-kerjas yang layak untuk perlindungan hak cipta. Fakta bahawa Pendaftar Reka Bentuk Industri telah mendapati betul untuk menerima reka bentuk plaintif untuk pendaftaran selanjutnya mengesahkan bahawa ia sememangnya reka bentuk industri (lihat perenggan 24).

(4) Berikutan kepada s 7(5) Akta, reka bentuk berdaftar adalah dikecualikan daripada hak cipta. Seksyen 13B Akta tidak boleh digunakan oleh plaintif kerana ia hanya digunapakai kepada lukisan yang mana adalah karya seni. Penentuan 7(5) Akta memihak defendan-defendan dan pihak-pihak ketiga menyebabkan tindakan plaintif untuk hak cipta tidak boleh dikekalkan (lihat perenggan 28).]

Notes

For a case on preliminary question of law in general, see 2(4) *Mallal's Digest* (5th Ed, 2015) para 7681.

For cases on registered designs in general, see 3(4) *Mallal's Digest* (5th Ed, 2015) paras 7667–7671.

Cases referred to

Boyle v SCA Packaging Ltd [2009] 4 All ER 1181, HL (refd)
CJ O'Shea Construction Ltd v Bassi [1998] ICR 1130, HL (refd)
Thein Hong Teck & Ors v Mohd Afrizan bin Husain and another appeal [2012] 2 MLJ 299, FC (refd)

Legislation referred to

Copyright Act 1987 ss 3, 7, 7(1), (5), 13A, 13A(1)(a), 13B, 13B(1)
Industrial Designs Act 1996 s 3
Rules of Court 2012 O 14A, O 14A r 1

Ng Poh Tat (Ng Poh Tat & Co) for the plaintiff.
Choy Kam Lee (Awtar Kaur a/p Chain Singh with him) (KL Choy & Co) for the defendant.
James S Devadason (Intan Suraya bt Abdul Halim with him) (Maxwell Kenion Cowdy & Jones) for the first third party.
S Chandrasegar a/l SC Subramaniam (S Chandran & Partners) for the second third party.

SM Komathy JC:

INTRODUCTION

[1] This is an application by the second third party in these proceedings for the court to determine a question of law as a preliminary issue under O 14A r 1 of the Rules of Court 2012 ('the ROC'). The question of law is whether s 7(5) of the Copyright Act 1987 ('the Copyright Act') bars the plaintiff from seeking copyright protection for his registered designs under the Industrial Designs Act 1996 ('the Industrial Designs Act').

FACTUAL BACKGROUND

[2] On 31 December 2014, the plaintiff instituted this action against the defendant, seeking, inter alia, a declaration that the registered designs of his water sprinkler and clipper are also protected under the Copyright Act 1987 and damages.

[3] The plaintiff averred in his statement of claim that he had personally created the drawings in the shape and design of the water sprinkler and clipper and had registered his designs on 19 February 2014 and on 27 March 2009, respectively, under the Industrial Designs Act 1996. It was further averred that thereafter the registered designs were used to produce industrial sprinklers and

clippers for sale to members of the public.

[4] The plaintiff further averred that the defendant company had sold water sprinklers and clippers that were of the same shape and design as his products thereby infringing his copyright . The defendant denied liability and in April 2014, the defendant brought third party proceedings against one Oh Yoke Choon and the second third party for indemnification and/or for them to bear the damages claimed by the plaintiff from it. This relief was sought on the ground that the defendant had purchased the water sprinklers and clippers from the third parties.

[5] The plaintiff and the second third party are siblings.

[6] On 4 August 2015, the second third party made the present application under O 14A of the ROC, which was supported by the first third party and the defendant. The plaintiff strongly opposed the application.

DISCUSSION

[7] Counsel for the plaintiff, Mr Ng Poh Tat ('Mr Ng') opposed the application on two grounds. First, that there was inordinate delay in making the application as it was made about two weeks before the trial date. Secondly, the question of law was not suitable for summary disposal as a preliminary issue because the facts on which the application was predicated on were in dispute. In the absence of agreed facts, the court should dismiss the application.

[8] Mr S Chandrasegar's ('Mr Chandra') riposte was that there was no delay as the O 14A application was made as soon as the second third party had filed her defence. Counsel maintained that the facts relevant to the determination of the preliminary issue were not in dispute.

[9] The law applicable to applications under O 14A is explained by the Federal Court in *Thein Hong Teck & Ors v Mohd Afrizan bin Husain and another appeal* [2012] 2 MLJ 299, where it was held:

> It was trite law that O 14A of the RHC could only be resorted to if there was no dispute by the parties as to the relevant facts, or the court concluded that the material facts were not in dispute. In the present case there were serious disputed facts involved and these issues of fact were interwoven with the legal issues raised. As such, the Court of Appeal was correct in finding that O 14A of the RHC was not suitable for the purpose of determining the applicability of s 314 of the Act to the partnership in the present case.

[10] The House of Lords in *Boyle v SCA Packaging Ltd* [2009] 4 All ER 1181 explained the criteria at p 1186:

> As Lord Scarman said in *Tilling v Whiteman* [1979] 1 All ER 737 at p 744; [1980] AC 1 at p 25, preliminary points of law are too often treacherous short cuts. Even more so where the points to be decided are a mixture of fact and law. ... There are, however, dangers in taking what looks at first sight to be a short cut but turns out to be productive of more delay and costs than if the dispute had been tried in its entirety, as Mummery J said in *National Union of Teachers v St Mary's Church of England (Aided) Junior School (Governing Body)* [1995] ICR 317 at p 323. The essential criterion for deciding whether or not to hold a pre-hearing is whether, as it was put by Lindsay J in *CJ O'Shea Construction Ltd v Bassi* [1998] ICR 1130 at p 1140, there is a succinct, knockout point which is capable of being decided after only a relatively short hearing. This is unlikely to be the case where a preliminary issue cannot be entirely divorced from the merits of the case, or the issue will require the consideration of a substantial body of evidence. In such a case it is preferable that there should be only one hearing to determine all the matters in dispute.

[11] I agree with Mr Chandra that there is no inordinate delay in making the application in that the application was made as soon as the second third party had filed its defence on 15 June 2015.

[12] As for the complaint that there were no agreed facts, that again I am unable to agree. It bears mention that the singular fact relied on by the second third party in support of the question of law is based on the plaintiff's own averment in the statement of claim that the designs have been registered under the Industrial Designs Act. In the premises, the plaintiff's argument that the relevant facts are in dispute does not hold water.

[13] It is important to note that a resolution of the question of law posed in this application, if decided in favour of the second third party, will bring an end to this litigation, without the need of a lengthy trial. It therefore satisfies the criteria approved by the House of Lords in *CJ O'Shea Construction Ltd v Bassi* [1998] ICR 1130 of being a succinct, knockout point which is capable of being decided after only a relatively short hearing. In the result, I allow the application for the question of law under s 7(5) of the Copyright Act to be determined as a preliminary one under O 14A.

WHETHER S 7(5) IS A BAR

[14] For ease of reference, I set out the relevant provisions in the Copyright Act that are relevant for the determination of this issue.

Section 7 provides:

(1) Subject to this section, the following works shall be eligible for copyright:

(a) literary works;

(b) musical works;

(c) artistic works;

(d) films;

(e) sound recordings; and

(f) broadcasts.

(2) Works shall be protected irrespective of their quality and the purpose for which they were created.

(2A) Copyright protection shall not extend to any idea, procedure, method of operation or mathematical concept as such.

(3) A literary, musical or artistic work shall not be eligible for copyright unless —

(a) sufficient effort has been expended to make the work original in character: and

(b) the work has been written down, recorded or otherwise reduced to material form.

(4) A work shall not be ineligible for copyright by reason only that the making of the works, or the doing of any act in relation to the work involves an infringement of copyright in some other work.

(5) Copyright shall not subsist under this Act in any design which is registered under any written law relating to industrial design.

(6) *(Deleted by Act A1420)*

(7) For the purpose of this section, 'any written law relating to industrial design' includes:

(a) the United Kingdom Designs (Protection) Act 1949 [Act 214];

(b) the United Kingdom Designs (Protection) Ordinance of Sabah [*Sabah Cap. 152*]; and

(c) the Designs (United Kingdom) Ordinance of Sarawak [*Sarawak Cap. 59*].

[15] Section 3 defines artistic works as:

In this Act, unless the context otherwise requires —

...

'artistic work' means —

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality;

(b) a work of architecture being a building or a model for a building; or

(c) a work of artistic craftsmanship,but does not include a layout-design within the meaning of the Layout-Designs of Integrated Circuits Act 2000 [Act 601];

...

'graphic work' includes —

(a) any painting, drawing, diagram, map, chart or plan; and

(b) any engraving, etching, lithograph, woodcut or similar work;

[16] Section 13A provides:

(1) It shall not be an infringement of any copyright in a design document or model recording or embodying a design for anything other than an artistic work or a typeface —

(a) to make an article to the design, or to copy or to reproduce an article made to the design; or

(b) to issue to the public, or include in a film, broadcast or cable programme service, anything the making of which was, by virtue of paragraph *(a)*, not an infringement of that copyright.

(2) In this section —

'design'means the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article, other than surface decoration; and

'design document' means any record of a design, whether in the form of a drawing, a written description, a photograph, data stored in a computer or otherwise.

[17] Section 13B provides:

(1) This section applies where an artistic work has been exploited, by or with the licence of the copyright owner, by —

(a) making, by an industrial process or means, articles falling to be treated for the purposes of this Act as copies of the work; and

(b) marketing such articles in Malaysia or elsewhere.

(2) After the end of the period of twenty-five years from the end of the calendar year in which such articles are first marketed, the work may be copied by making articles of any description, or doing anything for the purpose of making articles of any description, and anything may be done in relation to articles so made, without infringing copyright in the work.

(3) Where only part of an artistic work is exploited as mentioned in subsection (1), subsection(2) applies only in relation to that part.

(4) The Minister may by order make provision —

(a) as to the circumstances in which an article, or any description of article, is to be regarded for the purposes of this section as made by an industrial process or means; and

(b) for excluding from the operation of this section such articles of a primarily literary or artistic character as he thinks fit.

(5) In this section —

(a) references to articles do not include films; and

(b) references to the marketing of an article shall be construed as references to it being sold or let for hire or offered or exposed for sale or hire.

[18] Mr Chandra contended that the legal effect of s 7(5) was to bar registered design drawings from the domain of copyright. As the plaintiff's designs have been registered under the Industrial Design Act, he cannot seek copyright. In support of his proposition, he referred the court to the views expressed by the author Ida Madieha bt Abdul Ghani Azmi in her book entitled '*Copyright Law in Malaysia (Cases and Commentary)*' (2nd Ed). He cited the following passages in her book:

At p 621:

Objection against the protection of design through copyright have been raised in several cases. In *LB Plastics Ltd v Swish Products Ltd* [1977] FSR 87 for example, it was argued amongst others (at 94–95)

1. It is absurd to give protection to drawings of a three-dimensional model not being a work of artistic craftsmanship if the model itself is not protected.

2. It is absurd that an industrial drawing enjoys a copyright term of 50 years (p.m.a: post-Mortem auctoris) whereas if the design is registered or patented, it only enjoys 15 years of protection.

At p 630:

Again on the same page (630) under the heading Copyright (Amendment) Act 1996 it is stated 'The Peko Wallsend' case illustrated the difficulties 'in maintaining a cumulative protection for Industrial design and the extensive protection for artistic work. To remedy this Parliament in 1996 amended the law to exclude Industrial designs from the domain of copyright. Three main provision were inserted for this purpose i.e. ss.13A, 13B and 13C.

At p 637:

By taking away the cumulative protection of designs, the only way in which designs enjoy protection under the intellectual property regime is through the registered design right.

At p 659:

The policy reason for exclusion of the Industrial design from the domain of copyright can be found in the judgment of Whitford J in Interlego *AG v Alex Follev (Vic Proprietaril Ltd)* 10 IPR 441 (above) wherein it was observed that it was inappropriate to give Industrial design the full protection afforded to artistic work

under copyright law ...

> Thus, the determination factor is whether the drawing was intended for manufacturing an article by industrial process. If this was the intention of the drawing that it would be considered as a *'design'* rather than artistic work.

And at p 662;

> Designs that have been registered under the Industrial Design are eligible for protection under the said Act for maximum of 15 years. Such designs once registered, no longer enjoy copyright protection (Section 7(5)) Copyright Act 1987.

[19] Mr Chandra further contended that the criterion for determining whether a drawing came within the domain of copyright was whether it was intended for manufacturing an article by industrial process. If it was, then it would be considered as a 'design' rather than artistic work. It was clear, he argued, from the statement of claim that the drawings of the water sprinkler and clipper were intended for manufacturing by industrial process and were in fact mass produced and offered for sale, demonstrating that the drawings in the instant case are a design and not artistic works. It was also pointed out that under s 13(A) of the Copyright Act the reproduction of two dimensional artistic drawing into three dimensional production was not copyright infringement.

[20] Mr Ng disputed that s 7(5) barred the plaintiff from seeking copyright protection of the artistic works in his registered drawings . In support of his argument, he cited the following passages in Professor Khaw Lake Tee's book: *Copyright Law in Malaysia* (3rd Ed):

> As an artistic work incorporating a design may also be registrable under the Industrial Design Act 1996, the effect was to enable a design to be protected under either copyright or design law or both.
>
> Section 7(5) provides that copyright shall not subsist in any design which is registered under any written law relating to industrial design. 'Design' is not defined but presumably, it refers to one which is a copyright work, be it a drawing or a three-dimensional artistic work, as well as a design within the meaning of the industrial Design Act 1996.
>
> Essentially, section 13B spells out the legal implications consequent upon the industrial exploitation of an artistic work. That is to say, once the copyright owner has made, by an industry process or means, artistic which are copies of the artistic works, and marketed such artistic in Malaysia or elsewhere, he is entitled to enjoy full copyright protection for only 25 years calculated from the end of the calendar years in which such articles were first marketed.
>
> By the terms of section 13B(1)(a), it would appear to suggest that notwithstanding the express intention of section 7(5) to exclude registered design from copyright, and that of section 13A to limit the copyright of industrially applied design, these design do in fact, in the final analysis, enjoy full copyright protection for at least 25

years after the design have been applied in the making of articles.

[21] Mr Ng next contended that as the design drawings have been industrially exploited by the plaintiff by manufacturing and marketing these articles for sale, s 13B(1) conferred the plaintiff copyright for a duration of to 25 years from the date the products were marketed. It was therefore erroneous for the second third party to contend that s 7(5) rendered the action unmaintainable.

[22] As the subject matters of this case are in fact two registered designs for which protection are sought under the Copyright Act, it is appropriate to also consider the provisions of the Industrial Designs Act.

[23] Section 3 of the Industrial Designs Act 1996 defines 'industrial design' as features of shape, configuration, pattern or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged by the eye, but does not include a method or principle of construction or features of shape or configuration of an article which are dictated solely by the function which the article has to perform or which are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part.

[24] Since the plaintiff's designs have been registered under the Industrial Designs Act, it is clear that the plaintiff was himself of the view that his drawings of those two designs were of 'industrial designs' and not 'artistic works' within the definition of s 7(1) of the Copyright Act which sets out the list of works eligible for copyright protection. The fact that the Registrar of Industrial Designs had found fit to accept the plaintiff's designs for registration further confirms that they are indeed industrial designs.

[25] The provisions of a sub-s 5 of s 7 itself, leave no room for doubt that once the owner of a design has elected to regard his design as an industrial design and obtain protection by way of registration under the Industrial Designs Act 1996, no copyright of the design can subsist under the Copyright Act 1987.

[26] This position is in fact further clarified by s 13A(1)(a) of the Copyright Act which specifically excludes the making of an article to the design (of a design document), or to copy or to reproduce an article made to the design from being regarded as an infringement of any copyright.

[27] *En passant,* it must be highlighted that the wordings of s 13B of the Copyright Act restricts its application to 'artistic work' — which the industrial

designs in this case are not. Thus, s 13B serves to protect the copyright in artistic works for a period of 25 years and does not assist the plaintiff in this case. Common examples of artistic works covered under s 13B would be famous dolls such as 'Barbie' dolls or 'Hello Kitty' dolls — which would not be registrable under the Industrial Designs Act.

[28] I therefore hold that it is clear that pursuant to s 7(5) registered designs are excluded from copyright. Section 13B does not avail the plaintiff as it applies only to drawings that are artistic works. The determination of s 7(5) in favour of the defendants and the third parties, renders the plaintiff's action for copyright unmaintainable.

CONCLUSION

[29] For the reasons given, the plaintiff's claim is dismissed with costs.

Plaintiff's claim dismissed with costs.

Reported by Dzulqarnain Ab Fatar